



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

July 16, 2009

Mark Marinovich, President
Pacific Handy Cutter, Inc.
2968 Randolph Avenue
Costa Mesa, CA 92626

Dear Mr. Marinovich:

RE: FINAL MONITORING VISIT REPORT FOR PACIFIC HANDY CUTTER RETRAINING SB ET07-0375

Date of the Visit:	4/29/09
Beginning/Ending Time:	1:00 pm – 2:00pm pm
Date of Last Visit:	6/24/08
Visit Location:	Via Teleconference
Persons in attendance:	Julie Punchard, Office Manager, Pacific Handy Cutter, Inc. (PHC); and Suzanne Godin, ETP Contract Specialist
Action Items remaining from Prior Meeting:	No
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	4/30/07 – 4/29/09	Agreement Amount:	\$48,360
Training Start Date:	5/07/07	No. to Retain:	31
Date Training must be Completed:	1/29/09	Range of Hours:	8-60
Type of Trainee:	Retrainee	Weighted Ave. Hours:	60

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5353 Mission Center Road, Suite 110
SAN DIEGO, CA 92108
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www.etp.ca.gov
ETP (04/15/05)

FINAL REPORT SUMMARY:

AGREEMENT HISTORY

Pacific Handy Cutter, Inc. (PHC) is a small contract manufacturer with an integrated facility for the design, manufacture, and distribution of safety box cutters, razors, and other promotional items.

The agreement was approved as a Small Business Project at the April 2007 Panel Meeting and was executed on 6/01/07. Training began on 5/07/07. ETP approved one amendment during the term of the Agreement which extended the Agreement term by 12 months. Ms. Punchard reported that all training was completed on 9/16/08 which allowed for the retention period to be completed within the term ending date of the Agreement.

INTERVIEW WITH THE CONTRACT REPRESENTATIVE: JULIE PUNCHARD

Ms. Punchard reported that balancing the needs of production and training was more difficult than you had anticipated when PHC's training plan was initially designed. The ETP training program had been championed by the company's purchasing manager, who left PHC five months after training commenced. When the ETP training plan was designed, PHC's training needs were two-fold: to move to a lean manufacturing environment in order to facilitate and support product development; and to provide training to frontline staff in the new ERP software (Vantage). Once the economy began its downward spiral, PHC was forced to downsize; production personnel began working four days a week; and new product development was no longer a priority. These circumstances contributed to your decision to put ETP-funded training on the back burner in order to focus on market-share retention. As a result, the number of class/lab training hours delivered on this project was far less than planned.

In spite of these challenges, Ms. Punchard stated that ETP training had been a positive experience and that without the assistance of ETP, PHC would not have been able to provide the formal computer skills class/lab training in the new ERP software. As a result of Computer skills training that the company was able to deliver, the implementation of the Vantage ERP system was successful.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	24	Completed Training:	19
Trainees Enrolled:	24	Completed Retention:	19
Dropped Following Enrollment:	2	In Retention Period:	0
No. Completed Minimum Reimbursable Hours :	19		

The statistical data submitted by PHC project staff during this visit, as detailed above, was in agreement with ETP's Trainee Status Report as of the date of this report.

DISCUSSION OF PROJECTED EARNINGS:

Ms. Punchard stated that the statistics on the class/lab tracking system were correct which showed that 19 trainees (61% of planned retentions) completed the specified range of class/lab hours (8-60) and retention period. PHC tracked 664 eligible hours on the ETP class/lab tracking system for the aforementioned 19 trainees. Therefore, PHC is eligible to earn \$15,995 (33 percent of the encumbered amount). As of the date of this report, the Fiscal Closeout Invoice had been issued and PHC had received \$15,995 in earned progress payments

ATTENDANCE ROSTERS:

Attendance Rosters reviewed:	6/25/08-9/16/08	Rosters reviewed contained all the required information per Title 22, California Code of Regulations, Section 4442.	YES
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INVOICES:

Documentation reviewed was consistent with information reported on Invoice	#7,8,	Yes
Progress Payment	#1,2	Yes
Final Payment		Yes

AUDIT:

You will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable.

Listed below are types of records typically requested during an ETP field audit:

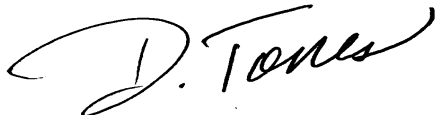
- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Suzanne Godin at (619) 686-1918 or at sgodin@etp.ca.gov within ten (10) working days from the receipt date of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Torres".

Diana Torres, Manager
San Diego Regional Office

A handwritten signature in black ink, appearing to read "S. Godin".

Suzanne Godin, Contract Analyst
San Diego Field Office

cc: Kulbir Mayall, Fiscal Manager
Master File
Project File